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April 5, 2002

Mr. Tom Turner
Associate Regional Counsel
USEPA Region 5
Office of Regional Counsel (C-141)
77 West Jackson Blvd.
Chicago, IL 60604-2402



RE: RRG/Clayton Chemical Site
General Notice of Potential Liability Letter

Dear Mr. Turner:

This letter is in response to your March, 2002, General Notice letter and subsequent discussions with the United States Environmental Protection Agency ("USEPA") on Thursday, March 28, 2002, in East St. Louis, Illinois regarding the RRG/Clayton Chemical Company site in Sauget, Illinois (the "Site").

Our understanding from the discussions is that USEPA has identified alleged PRP's for the Site, including our client, National Coatings, and is requesting those alleged PRP's to take the following actions:

1. Remove certain alleged hazardous liquids currently stored at the Site (estimated by USEPA at \$1.2 million),
2. Remediate alleged contaminated soil at the Site (estimated by USEPA at \$3.5 million).

You requested the alleged PRP's agree to those actions by Friday, April 5, 2002.

The time frame does not allow National Coatings adequate time to reasonably ascertain the extent of responsibility it may have, if any, relative to either the liquid or soil issue at the Site and proposed remediation. As such, National Coatings requires additional time to assess this issue. We believe this is particularly pertinent since the Site has been operated as a chemical and waste oil recovery facility since 1961.

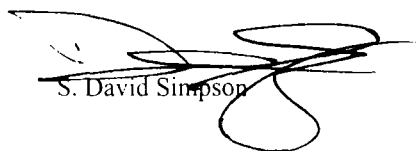
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However, as a good faith offer, the company proposes to participate with a PRP group, which we understand will be formed to respond to the General Notice letter. Our participation will be contingent on a fair cost allocation process and the formation of a group of reasonable size capable of addressing the site issues.

National Coatings will diligently pursue the PRP group formation and further assess the extent of its responsibility, if any, relative to this Site. We will be providing you with follow up communication within the next thirty days. Please contact the undersigned if there are any questions or concerns.

Very truly yours,

HATTERY, SIMPSON & WEST,



S. David Simpson

SDS:sbp